

UPDATED SPOUSAL COORDINATION OF BENEFITS POLICY  
JULY 1, 2011  
FREQUENTLY ASKED QUESTIONS

**The State Employee Benefits Committee (SEBC) approved a modification to the existing Spousal Coordination of Benefits Policy, instituted in 1993, to include provisions for retired or retiring spouses to enroll in their former employers' healthcare coverage under certain circumstances. A notification of this change was mailed to all employees and pensioners participating in the State of Delaware Group Health Plan on September 26, 2011.**

**Q. *Why was this change made to the Spousal Coordination of Benefits (SCOB) policy?***

A. Prior to this change, there was no requirement for a retired spouse to enroll in their former employer's retiree health care coverage, if available. As a result, retired spouses may not enroll in their former employer's retiree health coverage, leaving the State to pay the spouse's health care claims as primary during the state employee's retirement. If the spouse is enrolled in the former employer's retiree health care coverage, that coverage would be primary rather than the State coverage during the state employee's retirement. The modified policy provides the proper measure of due diligence to maintain State costs in an effort to keep premiums at an affordable level.

**Q. *Where can I find the complete updated policy for covering my retired spouse?***

A. The policy is available on the Statewide Benefits website at [www.ben.omb.delaware.gov](http://www.ben.omb.delaware.gov).

**Q. *When does this policy go into effect?***

A. The updated policy became effective July 1, 2011.

**Q. *Who does this apply to?***

A. The policy applies to all active employees and pensioners who cover their spouse under the State of Delaware Group Health Insurance Plan.

**Q. *What happens if my retired spouse declined medical benefits at the time he/she retired?***

A. If your spouse retired prior to the notification of the change to this policy sent to employees on September 26, 2011, your spouse needs to contact his/her former employer to determine whether enrollment is possible at the next open enrollment period. If not, he/she should obtain written verification from the former employer he/she is no longer eligible to enroll for retiree healthcare benefits. Retain the written verification in the event you are asked to provide it to the State at a future date due to an audit.

**Q. *Under what general circumstances does my spouse need to enroll in his or her former employer's retiree health benefits?***

A. If your spouse's former employer offers retiree health benefits, your spouse is eligible for the coverage and your spouse does not have to pay more than 50% for the lowest premium plan, your spouse must enroll in the former employer's coverage.

**Q. *Does my spouse need to enroll if he or she would be required to pay the entire premium for retiree healthcare coverage?***

- A. No. Your spouse does not need to enroll if he or she would pay more than 50% of the premium for retiree healthcare coverage.
- Q. ***I am an active state employee, and my spouse is retiring but is under age 65. Must my spouse enroll in the employer's retirement healthcare coverage even though this coverage will pay as secondary while I am an active employee?***
- A. Yes, your spouse must enroll if eligible, providing the employer pays at least 50% of the premium for the least-expensive, retiree-only coverage. When you retire, this coverage will become your spouse's primary coverage.
- Q. ***I am an active state employee, and my spouse is retired and over age 65. Must my spouse enroll in Medicare A and B plus the former employer's Medicare supplement plan if offered?***
- A. No. At this time, we do not require your spouse to enroll in Medicare Part B while you are an active employee, and your spouse is not required to enroll in the supplement plan at this time. However, when you retire, your spouse will be required to enroll in Medicare Parts A and B and is required to enroll in the former employer's Medicare supplement plan, if still eligible at that time.
- Q. ***If my spouse and I are retired, and my spouse is eligible for Medicare due to age or disability, must my spouse enroll in Medicare Parts A and B?***
- A. Yes, enrollment in Medicare Parts A and B is required when a state pensioner or their spouse is first eligible based on age or disability and enrollment must be maintained. If Medicare Supplement coverage is available through your spouse's former employer, he or she must enroll in that coverage. Your spouse may also enroll in the Medicare Supplement plan provided by the State through the Office of Pensions.
- Q. ***If my spouse is retired but is now a benefit eligible State of Delaware employee, must my spouse enroll in his or her former employer's retiree health plan?***
- A. No.
- Q. ***Do I need to complete a new Spousal Coordination of Benefits Form now because of this change to the policy?***
- A. No, you only need to complete a new Spousal Coordination of Benefits Form at this time if your spouse had a change in employment or health care coverage since you completed the form during open enrollment in May 2011.
- Q. ***When do I need to complete a Spousal Coordination of Benefits Form?***
- A. You must complete a Spousal Coordination of Benefits form during open enrollment in May 2012, each subsequent year during open enrollment and anytime your spouse has a change in employment or health care coverage.
- Q. ***If I cover my spouse on the State of Delaware's Special Medicfill Medicare supplement plan, am I required to complete the Spousal Coordination of Benefits Form?***

- A. Yes, you must complete a Spousal Coordination of Benefits form during open enrollment in May 2012, each subsequent year during open enrollment and anytime your spouse has a change in employment or health care coverage.
- Q. *If my spouse is retired but does not receive any pension benefits, but the former employer offers health care coverage, does my spouse need to enroll in this coverage?*
- A. No, the policy states that the retired spouse does not need to enroll in the former employer's health care coverage if not collecting a pension benefit.
- Q. *My spouse's former employer offers health care coverage and pays more than 50% of the premium, but the coverage does not include prescription coverage or the prescription coverage is separate from the health care (medical) coverage, and the company pays less than 50% of the prescription coverage premium. Does my spouse need to enroll in the prescription coverage?*
- A. No, you do not need to enroll in the separate prescription coverage. You must indicate on the Spousal Coordination of Benefits Form that the health care coverage does not include prescription coverage.
- Q. *If my spouse is required to enroll in a former employer's health care coverage now or during an annual open enrollment period that does not coincide with the State's annual enrollment period (for example in November for a plan year effective date of January 1<sup>st</sup>), can I drop my spouse from my State of Delaware coverage?*
- A. Yes, this is allowable under Section 4.07(e)(1)(iii) of the Group Health Insurance Plan Eligibility and Enrollment Rules.
- Q. *What happens now for spouses who previously declined or terminated health care benefits from their former employers, and the former employers now say that these retirees can only enroll in benefits if they are losing eligibility for their other coverage?*
- A. **For spouses who retired before October 1, 2011** and declined or terminated enrollment in their former employer's health benefits before October 1, 2011: If their former employer will not permit them to enroll now, or at their next annual enrollment period, unless they lose eligibility for the State of Delaware's health care coverage, no action is needed and current coverage through the State Group Health Program will not be sanctioned. The new policy does not mean that these spouses are no longer eligible for coverage or that they will be terminated under the State Group Health Program. Spouses should obtain verification from the former employer that they cannot enroll without loss of eligibility, and they should keep this verification on file. The employee or retiree providing coverage for the spouse through the State Group Health Program will continue to be required to complete a Spousal Coordination of Benefits form each year during open enrollment and must indicate on the form that the spouse's former employer does not permit enrollment unless there is a loss of eligibility.

**Spouses who retire after October 1, 2011 are required to enroll in their employers' retirement coverage when they are first eligible, provided the employer pays at least 50% of the premium.**

**Q. *I am a survivor of a State of Delaware employee/retiree. If I also retired from another employer, am I now required to enroll in that employer's health care coverage?***

A. As a survivor, you are the principal holder of the health care coverage through the State of Delaware, and you are not required to enroll in other retiree coverage, if available. If you are currently remarried or remarry at a later date and cover a spouse, your spouse will be subject to all provisions of the Spousal Coordination of Benefits Policy, including the current change that includes spouses who are retired from another employer.